

"Writing the truth  
as I see it;  
trying not to  
offend  
those who will  
disagree."

# The truth as I see it™

Idaho Common Sense™



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## Free market economy?

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Discussing the economy, the President said the private sector is "still nervous about whether they want to go ahead and take the risks that are inherent in a free market system." But, the private sector is not afraid of free markets, it is afraid of continued government interference and fears how much more it will interfere. The government's job is to regulate the "playing field" of the markets, not to control and manipulate them.

The government loans money to some banks, allowing others to fail. It bails out some sectors of the economy and not others. It pays people to buy new cars and new homes. It bails out people who cannot pay their mortgages. It even has a czar dictating executive compensation who has not been approved by Congress and who answers only to the President. Free market economy or socialist economy? If the President wants the free market to work, all he has to do is stop interfering.

Before taking office, the President told us he would spend nearly a trillion dollars to prevent 3 to 4 million job losses and prevent the jobless rate from exceeding 8%. He spent \$787 billion, we have lost over 4 million jobs so far in 2009 and the unemployment rate is over 10%.

That might be understandable, even explainable, if not for the administration's logic. If the economy improves, the stimulus obviously worked; and if the economy worsens, the stimulus

obviously prevented it from worsening even more.

This is called elephant logic, learned from a man who was wandering around New York City with a loaded double-barreled shotgun. The police were called and asked him what he was doing. He said, "This keeps the wild elephants away." When they informed him there were no wild elephants for thousands of miles he responded, "See, it works." Elephant logic.

The President offered more economic insight saying, "I am convinced that the banks can be doing more than they're doing. We're going to be pushing them pretty hard in the months to come." Further, he chastised the banks that refused government money or paid it back quickly saying, "That gives us less leverage over these banks than we might otherwise like." What aspect of the free market system proposes the government pressuring and leveraging the banks?

The President is equally displeased that employers have adapted to smaller workforces. Why wouldn't they? They have no idea what the government will do next to "fix" the free market, nor do they know when it will ever stop spending money. The President is the reason they are tightening their belts and holding back. If he wants them to expand, just give them back their free market and stop spending.

The President also believes the \$3 billion he spent on Cash for Clunkers was so successful, he now wants to pay people to weatherize their homes. But, the new cars purchased with the Cash for Clunkers, although leading to more fuel efficient vehicles, resulted in a savings of only \$375 million. This is how to spend money in a recession?

A final insult. Excess monies from the \$700 billion Troubled Asset Relief Program (TARP) are, by law, to be used to pay down the deficit. Section 106, Part D states that excesses and monies paid back must be "paid into the general fund of the Treasury for reduction of the public debt."

But the President and Congress have other plans for the excess and returned monies. According to the House Minority Leader, they see this money as a "slush fund," and they will get around the law, making it "technically" legal to use the money as they choose. Did they ever plan on any of this money being used to pay down the debt or did they always plan on using it for other pet projects?

Mr. President, could the problem be that you have never built or run a business, never developed a budget of any significance and never had to meet a payroll or make a business profitable? Mr. President, the key word in free market is "free."